

CUTLER & DONAHOE, LLP

ATTORNEYS AT LAW

Telephone (605) 335-4950

Fax (605) 335-4961

April 29, 2004

RICHARD A. CUTLER
KENT R. CUTLER
BRIAN J. DONAHOE * *
MARK E. SALTER *
STEVEN J. SARBACKER ††
JAYNA M. VOSS
MICHAEL D. BORNITZ †
TRENT A. SWANSON *
KIMBERLY R. WASSINK
RYAN J. TAYLOR ††
MEREDITH A. MOORE
DAVID L. EDWARDS
TORREY D. SUNDALL

JEAN BROCKMUELLER, CPA (inactive)
BUSINESS MANAGER

* Also licensed to practice
in Minnesota

* * Also licensed to practice
in Minnesota and Iowa

† Also licensed to practice
in Nebraska

†† Also licensed to practice
in Minnesota and Missouri

*† Also licensed as a Certified
Public Accountant

VIA E-FILE TRANSMISSION

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

RE: Bill of Sale – 45 5200 cu. ft. covered hoppers
Our File: DM-100-05.BS

Dear Secretary Williams:

Attached hereto, in compliance with 49 CFR § 1177.3, please find a copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document is a Bill of Sale, a primary document, dated April 9, 2004.

The names and addresses of the parties to the documents are as follows:

Secured Party: U.S. Bancorp Equipment Finance, Inc.
13010 S.W. 68th Parkway
Portland, OR 97223

Debtor: Dakota, Minnesota & Eastern Railroad Corp.
140 N. Phillips Ave.
Sioux Falls, SD 57104

A description of the equipment covered by the document is:

Forty-five (45) covered hopper railcars, capacity 5200 cubic feet, bearing DME reporting marks in the DME 52000 series.

*Surface Transportation Board
Bill of Sale - 45 Covered Hopper Railcars DME 52000 Series
April 29, 2004 - Page 2*

Our STB account number for the required fee of \$30.00 is 22773.

A short summary of the documents to appear in the index as described in 49 CFR § 1177.4(a) follows:

Bill of Sale – US Bancorp. Equipment Finance

Should you have any questions or require additional information with respect hereto, please do not hesitate to contact me.

Sincerely,

CUTLER & DONAHOE, LLP



Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern
Railroad Corp.

BJD:lk

Attachments

cc: Gary Fish
Stephen Callihan/Amy Driban



Equipment Finance

Schedule Number 2101912B/002-109124-002
Dakota, Minnesota & Eastern Railroad Corporation

U.S. Bancorp Equipment Finance, Inc., as successor in interest to FBS Business Finance Corporation by assignment from Norrail, Inc., (the "Seller") is in receipt of your payment and does hereby release, transfer and assign to Dakota, Minnesota & Eastern Railroad Corporation (the "Buyer") all Seller's right, title and interest in and to the following equipment (the "Equipment"):

FORTY-FIVE (45) 5200 CU.FT. TROUGH HATCH GRAVITY GATE 100-TON COVERED HOPPERS; AS FURTHER DESCRIBED ON ATTACHED EXHIBIT A

TOGETHER WITH ALL PARTS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO.

The Equipment is in used condition. Seller is not a manufacturer nor distributor or merchant of, nor a dealer in such Equipment. Buyer has decided to purchase the Equipment based upon its own judgment and expressly disclaims any reliance upon statements made by Seller. Seller is not a position to have any special knowledge, or greater knowledge than Buyer in regard to the Equipment.

THE EQUIPMENT TRANSFERRED HEREBY IS TRANSFERRED "AS IS" AND "WHERE IS". THE SELLER MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OF ANY KIND WHATSOEVER IN REGARD TO THE EQUIPMENT. THE SELLER HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES IN REGARD TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THOSE OF MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR ANY PARTICULAR USE, OR OF QUALITY, DESIGN, CONDITION, CAPACITY, SUITABILITY OR PERFORMANCE.

By its acceptance of the Equipment, Buyer represents and warrants that it has fully examined and inspected the Equipment, and has not relied and is not relying upon Seller to assist it in any way in such examination or inspection, or in the operation, maintenance, service or repair of the Equipment.

By its acceptance of the Equipment, Buyer further agrees that it has paid or will pay any and all applicable sales, property, excise, use and privilege taxes that may be imposed on Buyer or Seller by any Federal, State, City, County or other governmental authority upon the transaction accomplished hereby or upon the ownership or use of the Equipment, and hereby agrees to indemnify and hold the Seller harmless from and against any and all claims and liabilities (including, without limitation, costs and expenses) for such taxes from the date of this Bill of Sale forward.

U.S. Bancorp Equipment Finance, Inc. has assigned its rights (but not its obligations) regarding the sale of the Property herein to USBEF Exchange Co. as part of an IRC Section 1031 exchange. This assignment has no effect on your ownership, rights or obligations hereunder.

This is a final and exclusive expression of the agreement of the Seller and the Buyer in regard to the Equipment, and no oral statements, course of dealing, usage of trade, or course of performance shall be relevant to explain or supplement any provision of this Bill of Sale.

IN WITNESS WHEREOF, Seller has executed this instrument as of April 9, 2004.

U.S. Bancorp Equipment Finance, Inc., as successor in interest to FBS Business Finance Corporation by assignment from Norrail, Inc., [Seller]


Annie Brownell
Collateral Specialist

Exhibit A 1 of 2

Old Number	New Number
NW 172003	DME 52016
NW 172005	DME 52017
NW 172008	DME 52018
NW 172013	DME 52019
NW 172017	DME 52021
NW 172027	DME 52025
NW 172034	DME 52028
NW 172041	DME 52030
NW 172049	DME 52033
NW 172056	DME 52035
NW 172063	DME 52037
NW 172065	DME 52039
NW 172077	DME 52042
NW 172092	DME 52047
NW 172121	DME 52059
NW 172126	DME 52061
NW 172151	DME 52067
NW 172154	DME 52069
NW 172185	DME 52078
NW 172186	DME 52079
NW 172196	DME 52080
NW 172199	DME 52082
NW 172215	DME 52085

Exhibit A 2 of 2

Old Number	New Number
NW 172228	DME 52092
NW 172233	DME 52093
NW 172234	DME 52094
NW 172236	DME 52095
NW 172251	DME 52102
NW 172255	DME 52105
NW 172267	DME 52113
NW 172273	DME 52116
NW 172276	DME 52117
NW 172281	DME 52119
NW 172286	DME 52121
NW 172287	DME 52122
NW 172296	DME 52126
NW 172313	DME 52130
NW 172315	DME 52131
NW 172319	DME 52132
NW 172321	DME 52133
NW 172333	DME 52138
NW 172336	DME 52139
NW 172343	DME 52141
NW 172360	DME 52147
NW 172366	DME 52148